

Kansas Department for Aging and Disability Services

Expenditure	Actual FY 2014	Approved FY 2015	Approved FY 2016	Approved FY 2017
All Funds:				
State Operations	\$ 72,879,924	\$ 67,974,940	\$ 69,224,989	\$ 66,245,232
Aid to Local Units	50,558,873	50,737,313	50,230,313	50,230,313
Other Assistance	1,266,382,915	1,397,234,886	1,440,371,576	1,385,097,309
<i>Subtotal - Operating</i>	<u>\$ 1,389,821,712</u>	<u>\$ 1,515,947,139</u>	<u>\$ 1,559,826,878</u>	<u>\$ 1,501,572,854</u>
Capital Improvements	9,246,330	10,678,611	7,530,000	7,720,000
TOTAL	<u><u>\$ 1,399,068,042</u></u>	<u><u>\$ 1,526,625,750</u></u>	<u><u>\$ 1,567,356,878</u></u>	<u><u>\$ 1,509,292,854</u></u>
State General Fund:				
State Operations	\$ 29,815,312	\$ 28,115,263	\$ 31,959,949	\$ 28,731,495
Aid to Local Units	28,866,708	31,607,465	31,100,465	31,100,465
Other Assistance	503,178,385	563,747,483	603,287,830	602,824,699
<i>Subtotal - Operating</i>	<u>\$ 561,860,405</u>	<u>\$ 623,470,211</u>	<u>\$ 666,348,244</u>	<u>\$ 662,656,659</u>
Capital Improvements	-	-	-	-
TOTAL	<u><u>\$ 561,860,405</u></u>	<u><u>\$ 623,470,211</u></u>	<u><u>\$ 666,348,244</u></u>	<u><u>\$ 662,656,659</u></u>
Percent Change:				
Operating Expenditures				
All Funds	(1.3)%	9.1 %	2.9 %	(3.7)%
State General Fund	(6.0)	11.0	6.9	(0.6)
FTE Positions	195.0	195.0	195.0	195.0
Non-FTE Unclass. Perm. Pos.	80.0	80.0	80.0	80.0
TOTAL	<u><u>275.0</u></u>	<u><u>275.0</u></u>	<u><u>275.0</u></u>	<u><u>275.0</u></u>

The approved amount for the Kansas Department for Aging and Disability Services (KDADS) in FY 2015 totals \$1.5 billion, including \$623.5 million from the State General Fund. The approved amount is an all funds increase of \$127.6 million, or 9.1 percent, above the FY 2014 actual expenditures and an increase of \$25.3 million, or 1.7 percent, above the amount approved by the 2014 Legislature.

The approved amount includes the shift of savings totaling \$800,000 from the Kansas Neurological Institute (KNI) to the KDADS budget to be expended for the Home and Community Based Services Waiver for Individuals with Developmental Disabilities, as well as \$1.0

million in additional federal Medicaid funds as a result of the additional State General Fund expenditures. Also included is a shift of funding totaling \$7.9 million, including \$3.4 million from the State General Fund, from the Home and Community Based Services Waiver for Physical Disabilities to the Home and Community Based Services Waiver for Individuals with Developmental Disabilities in FY 2015.

The approved amount also includes a reduction of \$599,235, as the result of the Governor's December 9th State General Fund allotment. In addition, the Governor's allotment plan included the transfer of \$3.0 million from the DADS Social Welfare Fund and \$1.2 million from the

Problem Gambling and Addictions Grant Fund in FY 2015. The FY 2015 approved budget includes 195.0 FTE positions and 80.0 non-FTE positions, a reduction of 22.0 FTE positions and the addition of 23.0 non-FTE positions above the number approved by the 2014 Legislature. The FY 2015 approved budget also includes \$10.7 million, all from the State Institutions Building Fund, for capital improvements projects.

The approved budget for FY 2016 totals \$1.6 billion, including \$666.3 million from the State General Fund. The FY 2016 approved amount is an all funds increase of \$40.7 million, or 2.7 percent, from all funding sources above the FY 2015 approved amount. The FY 2016 State General Fund approved amount is an increase of \$42.9 million, or 6.9 percent, above the FY 2015 approved amount.

The FY 2016 approved amount includes a reduction of \$1.2 million for the continuation of the 4.0 percent operating reduction. The approved budget shifts \$9.8 million from the State General Fund to a transfer from the State Highway Fund into a special revenue fund in FY 2016. Also included in the approved amount is an increase of \$1.0 million, all from the State General Fund, for mental health services, to provide behavioral health access for transitional and intermediate levels of care. The recommendation includes the addition of \$6.8 million, including \$3.0 million from the State General Fund, to reduce the waiting list for services on the Home and Community Based Services Waiver for Individuals with Developmental Disabilities. Also included is the addition of \$2.3 million, including \$1.0 million from the State General Fund, to reduce the waiting list for services on the Home and Community Based Services Waiver for Individuals with Physical Disabilities.

The FY 2016 approved amount includes the addition of \$33.4 million, including \$14.7 million from the State General Fund, to implement the health maintenance organization (HMO) privilege fee changes from 1.0 percent to 3.31 percent for FY 2016. This is partially offset by a reduction of \$57.0 million, including \$25.0 million from the State General Fund, for reduced expenditures due to policy changes in KanCare.

The FY 2016 approved budget includes 195.0 FTE positions and 80.0 non-FTE positions, the same number approved for FY 2015. The FY 2016 approved budget also includes \$7.5 million, all from the State Institutions Building Fund, for capital improvements projects.

The approved amount for FY 2017 totals \$1.5 billion, including \$662.7 million from the State General Fund. The FY 2017 approved amount is an all funds decrease of \$58.1 million, or 3.7 percent, from all funding sources below the FY 2016 approved amount. The FY 2017 State General Fund approved amount is a decrease of \$3.7 million, or 0.6 percent, below the FY 2016 approved amount.

The FY 2017 approved amount includes a reduction of \$1.2 million for the continuation of the 4.0 percent operating reduction. The approved budget shifts \$9.8 million from the State General Fund to a transfer from the State Highway Fund into a special revenue fund for FY 2016. Also included in the approved amount is an increase of \$1.0 million, all from the State General Fund, for mental health services, to provide behavioral health access for transitional and intermediate levels of care. The recommendation includes the addition of \$6.8 million, including \$3.0 million from the State General Fund, to reduce the waiting list for services on the Home and Community Based Services Waiver for Individuals with Developmental Disabilities. Also included is the addition of \$2.3 million, including \$1.0 million from the State General Fund, to reduce the waiting list for services on the Home and Community Based Services Waiver for Individuals with Physical Disabilities.

The FY 2017 approved budget includes a reduction totaling \$14.8 million, including \$6.5 million from the State General Fund, associated with an anticipated reduction of the state's payment error rate measurement. The reduction is anticipated with the Executive Reorganization Order No. 43 which transfers the responsibility for Medicaid eligibility to the Kansas Department for Health and Environment beginning January 1, 2016.

The FY 2017 approved amount includes the addition of \$34.8 million, including \$15.3 million from the State General Fund, to implement the HMO privilege fee changes from 1.0 percent to 3.31 percent for FY 2016. This is partially offset by a reduction of \$57.0 million, including \$25.0 million from the State General Fund, for reduced expenditures due to policy changes in KanCare.

The FY 2017 approved budget includes 195.0 FTE positions and 80.0 non-FTE positions, the same number approved for FY 2016. The FY 2017 approved budget also includes \$7.7 million, all from the State Institutions Building Fund, for capital improvements projects.

Kansas Department for Aging and Disability Services

	FY 2015			FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate/Request	\$ 618,190,288	\$ 1,500,382,638	195.0	\$ 626,660,658	\$ 1,477,313,451	195.0	\$ 626,845,205	\$ 1,477,939,095	195.0
Governor's Changes:									
1. Fall Consensus Caseload Estimate	\$ 15,131,175	\$ 45,007,423	-	\$ 40,721,032	\$ 79,878,751	-	\$ 55,820,529	\$ 111,205,965	-
2. Governor's December 9 th Allotment	(599,235)	(599,235)	-	-	-	-	-	-	-
3. KPERs Employer Contribution Rate Reduction	(52,017)	(165,076)	-	-	-	-	-	-	-
4. 4.0 Percent SGF Operating Reduction	-	-	-	(1,198,469)	(1,198,469)	-	(1,198,469)	(1,198,469)	-
5. Funding Shift	-	-	-	(9,750,000)	-	-	(9,750,000)	-	-
6. KanCare Policy Changes	-	-	-	(25,000,000)	(56,986,552)	-	(25,000,000)	(56,766,576)	-
7. HCBS Waiting List Reduction Funding	-	-	-	4,000,000	9,117,848	-	4,000,000	9,082,652	-
8. Behavioral Health Funding	-	-	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
9. Increase MCO Privilege Fee	-	-	-	28,237,092	64,416,338	-	29,310,688	66,605,478	-
10. PERM Reduction	-	-	-	-	-	-	(13,000,000)	(29,518,620)	-
11. Health Insurance Reduction	-	-	-	(61,159)	(190,454)	-	(62,383)	(194,267)	-
12. GBA No. 1, Item 2	-	-	-	-	-	-	-	-	-
13. GBA No. 1, Item 4	-	-	-	3,450,000	3,450,000	-	-	-	-
14. GBA No. 1, Item 9	(9,200,000)	(18,000,000)	-	12,012,908	22,186,214	-	7,853,312	(38,447,282)	-
Total Governor's Recommendation	\$ 623,470,211	\$ 1,526,625,750	195.0	\$ 680,072,062	\$ 1,598,987,127	195.0	\$ 675,818,882	\$ 1,539,707,976	195.0
Change from Agency Est./Req.	\$ 5,279,923	\$ 26,243,112	-	\$ 53,411,404	\$ 121,673,676	-	48,973,677	\$ 61,768,881	-
Percent Change from Agency Est./Req.	0.9 %	1.7 %	- %	8.5 %	8.2 %	- %	7.8 %	4.2 %	-
Legislative Action:									
15. Problem Gambling and Addictions Grant Fund Adjustments	\$ -	\$ -	-	\$ -	\$ (382,000)	-	\$ -	\$ (382,000)	-
16. Self Advocates Coalition of Kansas (SACK) Funding	-	-	-	48,500	97,000	-	48,500	97,000	-
17. Contract Language	-	-	-	-	-	-	-	-	-
18. CIF 10.0 Percent Withholding Language	-	-	-	-	-	-	-	-	-
19. Health Facilities Review Fund Language	-	-	-	-	-	-	-	-	-
20. HMO Privilege Fee Changes	-	-	-	(13,572,720)	(30,989,459)	-	(12,949,851)	(29,585,530)	-
21. KPERs Employer Contribution Rate Reduction	-	-	-	(62,080)	(191,487)	-	(121,787)	(376,041)	-
22. KPERs Death and Disability Reduction	-	-	-	(12,849)	(39,634)	-	(14,113)	(43,579)	-
23. Travel Expenditures Reduction	-	-	-	(113,060)	(113,060)	-	(113,362)	(113,362)	-
24. Advertising Expenditures Reduction	-	-	-	(11,609)	(11,609)	-	(11,610)	(11,610)	-
25. Newspapers and Magazines Prohibition	-	-	-	-	-	-	-	-	-

	FY 2015			FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE	SGF	All Funds	FTE
TOTAL APPROVED	<u>\$ 623,470,211</u>	<u>\$ 1,526,625,750</u>	<u>195.0</u>	<u>\$ 666,348,244</u>	<u>\$ 1,567,356,878</u>	<u>195.0</u>	<u>\$ 662,656,659</u>	<u>\$ 1,509,292,854</u>	<u>195.0</u>
Change from Gov. Rec.	\$ -	\$ -	-	\$ (13,723,818)	\$ (31,630,249)	-	\$ (13,162,223)	\$ (30,415,122)	-
Percent Change from Gov. Rec.	- %	- %	- %	(2.0)%	(2.0)%	- %	(1.9)%	(2.0)%	- %
Change from Agency Est./Req.	\$ 5,279,923	\$ 26,243,112	-	\$ 39,687,586	\$ 90,043,427	-	\$ 35,811,454	\$ 31,353,759	-
Percent Change from Agency Est./Req.	0.9 %	1.7 %	- %	6.3 %	6.1 %	- %	5.7 %	2.1 %	- %

- The Governor added \$45.0 million, including \$15.1 million from the State General Fund, for fall Human Service consensus caseload estimates in FY 2015, added \$79.9 million, including \$40.7 million from the State General Fund, for Human Service consensus caseload estimates for FY 2016, and added \$111.2 million, including \$55.8 million from the State General Fund, for Human Service consensus caseload estimates for FY 2017.
- The Governor deleted \$599,235, all from the State General Fund, as part of the December 9th allotment in FY 2015, for a 4.0 percent reduction in operating expenditures for the last six months of FY 2015.
- For this agency, the allotment included a reduction of \$165,076, including \$52,017 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate (excluding KPERs Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.
- The Governor deleted \$1.2 million, all from the State General Fund, for FY 2016 and FY 2017 to continue the 4.0 percent State General Fund reduction.
- The Governor shifted \$9.8 million from State General Fund expenditures to a transfer from the State Highway Fund into a special revenue fund in FY 2016 and FY 2017.
- The Governor deleted \$57.0 million, including \$25.0 million from the State General Fund, associated with the implementation of KanCare policy changes for FY 2016 and FY 2017.
- The Governor added \$6.8 million, including \$3.0 million from the State General Fund, to reduce the waiting list for services on the Home and Community Based Services Waiver for Individuals with Developmental Disabilities for FY 2016 and FY 2017. The Governor also added \$2.3 million, including \$1.0 million from the State General Fund, to reduce the waiting list for services on the Home and Community Based Services Waiver for Individuals with Physical Disabilities for FY 2016 and FY 2017.
- The Governor added \$1.0 million, all from the State General Fund, for mental health services, to provide behavioral health access for transitional and intermediate levels of care for FY 2016 and FY 2017.
- The Governor added \$64.4 million, including \$28.2 million from the State General Fund, for FY 2016 and \$66.6 million, including \$29.3 million from the State General Fund, for FY 2017 associated with the increase of the Managed Care Organization privilege fee.
- The Governor deleted \$29.5 million, including \$13.0 million from the State General Fund, associated with estimated savings from a reduction of the state's payment error rate measurement (PERM) for FY 2017.
- The Governor deleted \$190,454, including \$61,159 from the State General Fund, for FY 2016 and \$194,267, including \$62,383 from the State General Fund, for FY 2017 to reduce employer contributions for state employee health insurance.
- The Legislature concurred with GBA No. 1, Item 2, to transfer the remaining balance in the Problem Gambling and Addictions Grant Fund to the State General Fund at the end of FY 2016 and FY 2017.
- The Legislature concurred with GBA No. 1, Item 4, to add \$3.5 million, all from the State General Fund, for additional community resources needed while building improvements are completed at Osawatomie State Hospital for FY 2016.
- The Legislature concurred with GBA No. 1, Item 9, to adjust for the spring Human Services Consensus Caseload estimate; deleting \$18.0 million, including \$9.2 million from the State General Fund, in FY 2015; adding \$22.2 million, including \$12.0 million from the State General Fund, for FY

2016; and deleting \$46.3 million, offset in part by an increase of \$7.9 million from the State General Fund, for FY 2017.

15. The Legislature deleted \$382,000, all from the Problem Gambling and Addictions Grant Fund, for FY 2016 and FY 2017 and transferred \$94,993 to the State General Fund and \$287,007 to the DADS Social Welfare Fund for FY 2016 and FY 2017.
16. The Legislature added \$97,000, including \$48,500 from the State General Fund, to restore grant funding for the Self Advocate Coalition of Kansas (SACK) for FY 2016 and FY 2017.
17. The Legislature added language extending contracts for National Alliance for Mental Illness, Keys for Networking, and Kansas Families Partnerships, to be extended for up to six months depending upon completion of new contracts for integrated prevention and promotion services for behavioral health for FY 2016. Also included in the language for entities with contract extension options was Families Together to provide education and support for families of individuals with disabilities.
18. The Legislature added language directing the Director of Accounts and Reports to withhold 10.0 percent of each Children's Initiatives Fund account until the Children's Cabinet certifies all requested information has been provided for FY 2016 and FY 2017.
19. The Legislature deleted language to transfer \$200,000 from the Health Care Stabilization Fund to the Health Facilities Review Fund. The language will be added to the Kansas Department of Health and Environment for FY 2016 and FY 2017 to reflect current operating practice.
20. The Legislature deleted \$31.0 million, including \$13.6 million from the State General Fund, for FY 2016 and deleted \$29.6 million, including \$12.9

million from the State General Fund, for FY 2017 and adjusted funding to implement the HMO privilege fee changes to 3.31 percent and deleted the expenditures contained in the Governor's Recommendation to reconcile bill provisions with the intent of the Governor's proposal and maximize the State General Fund revenue impact for FY 2016 and FY 2017.

21. The Legislature reduced the Kansas Public Employees Retirement System employer contribution rate (excluding KPERS Death and Disability) from 12.37 percent to 10.91 percent for FY 2016 and from 13.57 percent to 10.81 percent for FY 2017. **For this agency, the reductions totaled \$191,487, including \$62,080 from the State General Fund, for FY 2016 and \$376,041, including \$121,787 from the State General Fund, for FY 2017.**
22. The Legislature deleted \$39,634, including \$12,849 from the State General Fund, for FY 2016 and \$43,579, including \$14,113 from the State General Fund, for FY 2017 to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016 and FY 2017.
23. The Legislature deleted \$113,060 for FY 2016 and \$113,362 for FY 2017, all from the State General Fund, for a 25.0 percent reduction of travel expenditures.
24. The Legislature deleted \$11,609 for FY 2016 and \$11,610 for FY 2017, all from the State General Fund, for a 50.0 percent reduction of advertising expenditures.
25. The Legislature prohibited agencies from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016 and FY 2017.